

# Department of Health and Human Services



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Division of Community Based Care Services  
Bureau of Developmental Services  
House Finance Division III  
Budget Overview  
March 5, 2009



# BDS Budget Presentation Outline

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## Agenda

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# BDS Introductions

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- Matthew Ertas
  - Bureau Administrator
  
- Karen Kimball
  - Financial Manager



# BDS' Mission

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- To promote opportunities for normal life experiences for persons with developmental disabilities or acquired brain disorders in all areas of community life, including employment, housing, recreation, social relationships, and community associations.
- Family support is a guiding principle of the service system; over 80% of the people served live with their families who are the greatest resource for individuals with disabilities.
- BDS seeks to provide individuals and families as much choice, control and responsibility as desired over the services they receive.



# BDS Populations Served

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BDS funds and oversees services to people with:

- **Developmental Disabilities (DD) - [RSA 171-A]**

- Intellectual disability, autism, cerebral palsy, epilepsy, or a specific learning disability requiring treatment similar to that required for ID.

- **Acquired Brain Disorders (ABD) - [RSA 137-K]**

- Traumatic brain injury, Huntington's disease, strokes occurring prior to age 60.

*Note: Individuals with DD or ABD typically require extensive services for a lifetime, i.e. they require “long-term care.”*

- **Early Intervention (EI)**

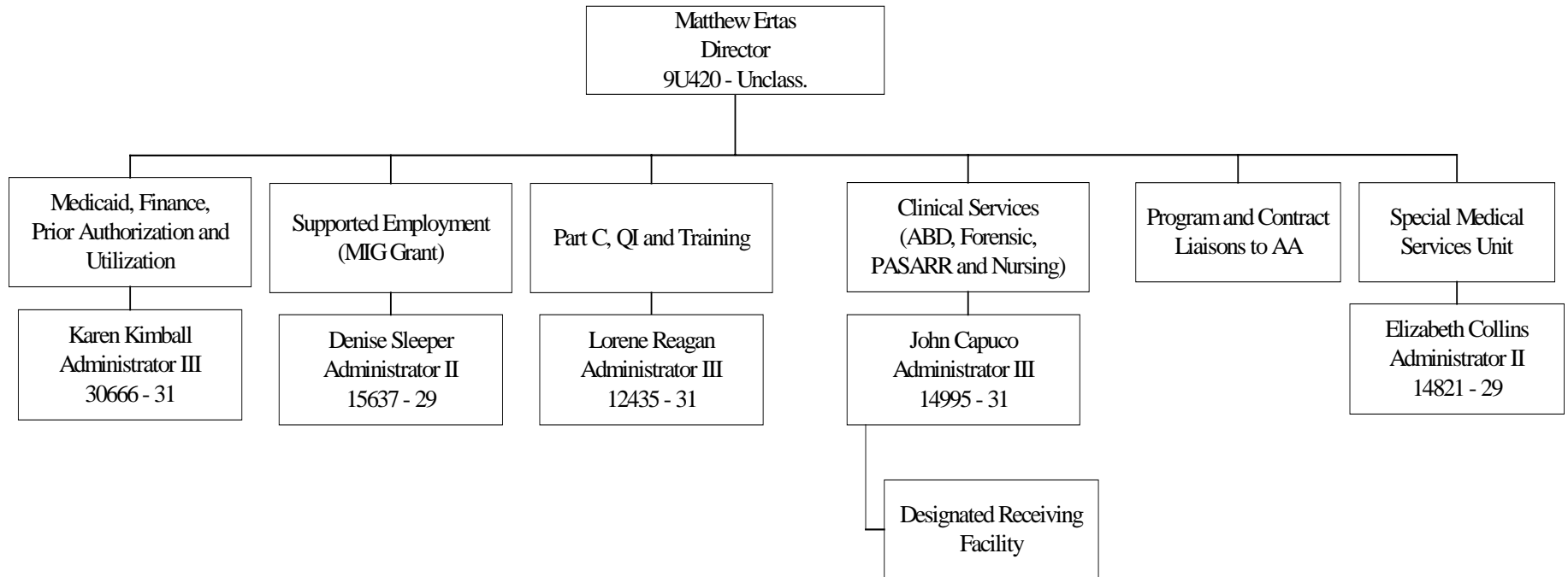
- Children (birth through age 2) with an established developmental disability, developmental delay, or are at risk for developmental delay.

# BDS Populations Served, continued



- **Family Support Services to Children with Chronic Health Conditions and their families - [RSA 126-I]**
  - Children with severe and chronic health conditions such as: asthma, diabetes, cancer, or heart condition.
  - Over 1,200 children and their families receive supports.
- **Children with Special Health Care Needs Through Special Medical Services:**
  - Provides specialty clinic services and care coordination activities.
  - Funds health care and provides financial assistance to certain low income families with children with special health care needs.
  - Supports parents as caregivers to these children through funding for NH Family Voices and Parent-to-Parent of NH.
- **Medicaid to Schools Program - [RSA 186-C]**
  - Children who qualify for special education with Individual Education Plans.
  - Local NH school districts receive \$18+M in FF to serve over 8,200 students.

# BDS Organization





# BDS' Funding Infrastructure



- **Medicaid is BDS' primary funding source:**
  - For FY '09, over **90%** of the system's total funds will come from Medicaid.
  
- **BDS operates three Medicaid Home and Community-Based Care (HCBC) Waivers. For 2009, CMS has approved:**
  - **DD Waiver:** up to **\$163M** and **3,210** individuals.
  - **ABD Waiver:** up to **\$15.4M** and **185** individuals.
  - **In-Home Support Waiver:** up to **\$5.6M** and services to **230** children and their families.





# BDS' Guiding Principles



- **Services provided through a regional system, where**
  - 10 non-profit (501 c) organizations called Area Agencies (AA) act as the lead agencies to plan, provide, and oversee services.
  - Independent Boards of Directors utilize local control.
- **BDS contracts with Area Agencies**
  - Some AAs provide services directly, others subcontract them out.
  - BDS has a public/private partnership with local, non-profit agencies.
- **Community-Based Services**
  - All services are provided in community settings.
  - NH was the first State to close its institution and operate a totally community-based DD service system.

[Just 8 other states and the District of Columbia have no institutions.]



# BDS' Service System

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- **Family Involvement**

- Family members make up at least 1/3 of each AA Board of Directors.
- Regional Family Advisory Councils provide input to AAs.

- **Consumer Direction – Choice and Control**

- Since 1999 the BDS rules have empowered the individual, and his or her family/guardian to have choice and control over their services.
- BDS used to fund programs; now it funds individual services.
- Consumers can choose their own service providers and make decisions about how the approved funds will be spent.

- **Emphasis on employment and volunteer opportunities for adults**

- Over 1,100 individuals have paid employment at a variety of job sites.
- More than 640 NH businesses employ individuals served by the AAs.
- More than 800 individuals volunteer within their communities.



# BDS' Service System Infrastructure



- **Individualized Budgets**

- A discrete budget is developed for each client.
- Individualized funding provides portability and consumer choice.
  - Individual/families can choose another service provider if they are not satisfied with their current provider.

- **Prior-Authorized Services**

- Medicaid Waiver funds are Prior Authorized separately for each individual.
- Through the Prior Authorization approach BDS makes use of its appropriated funds in a managed-care-like system.
- BDS is, therefore, in a better position to track costs.

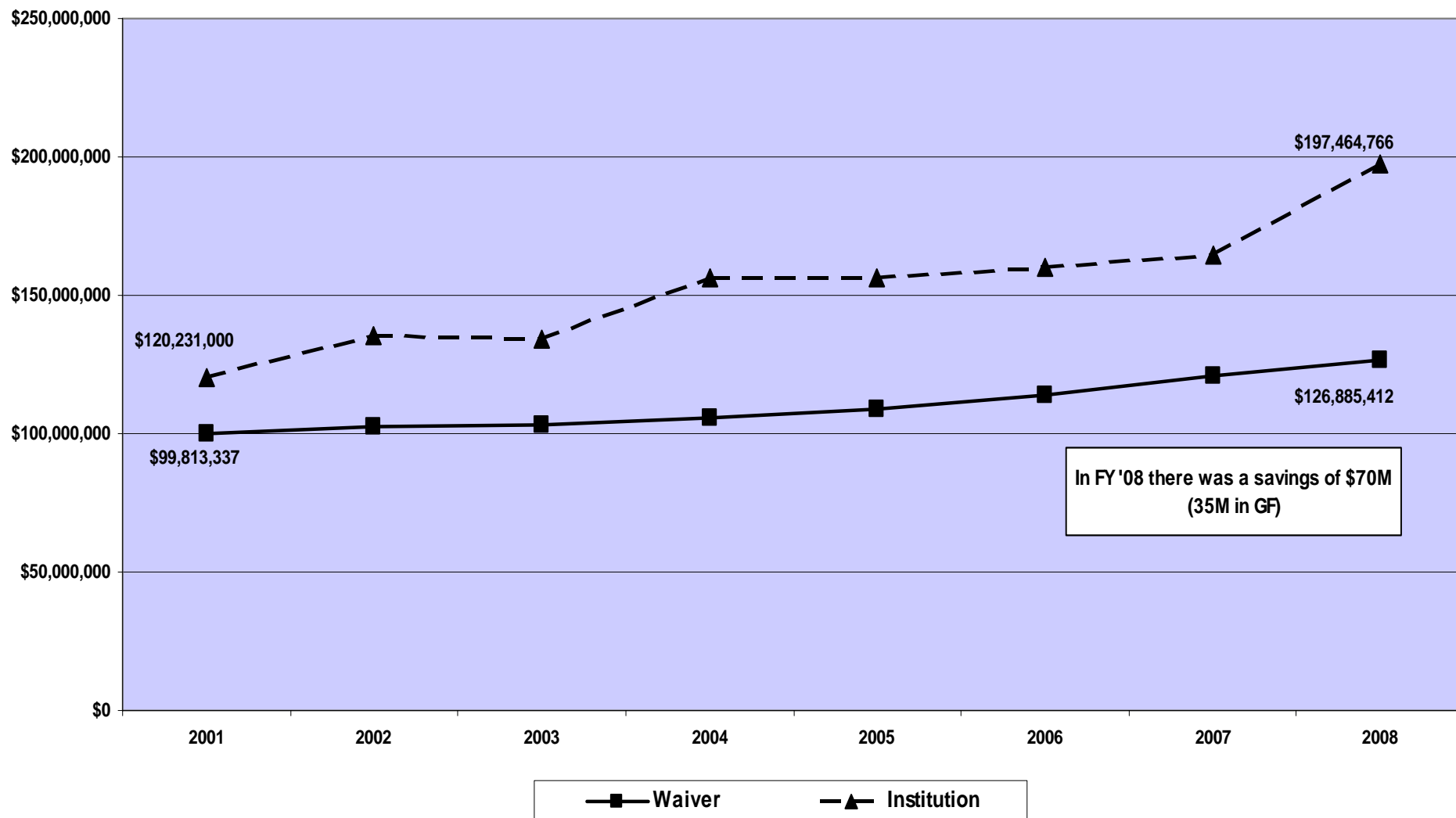


# Cost Reduction Strategies Utilized



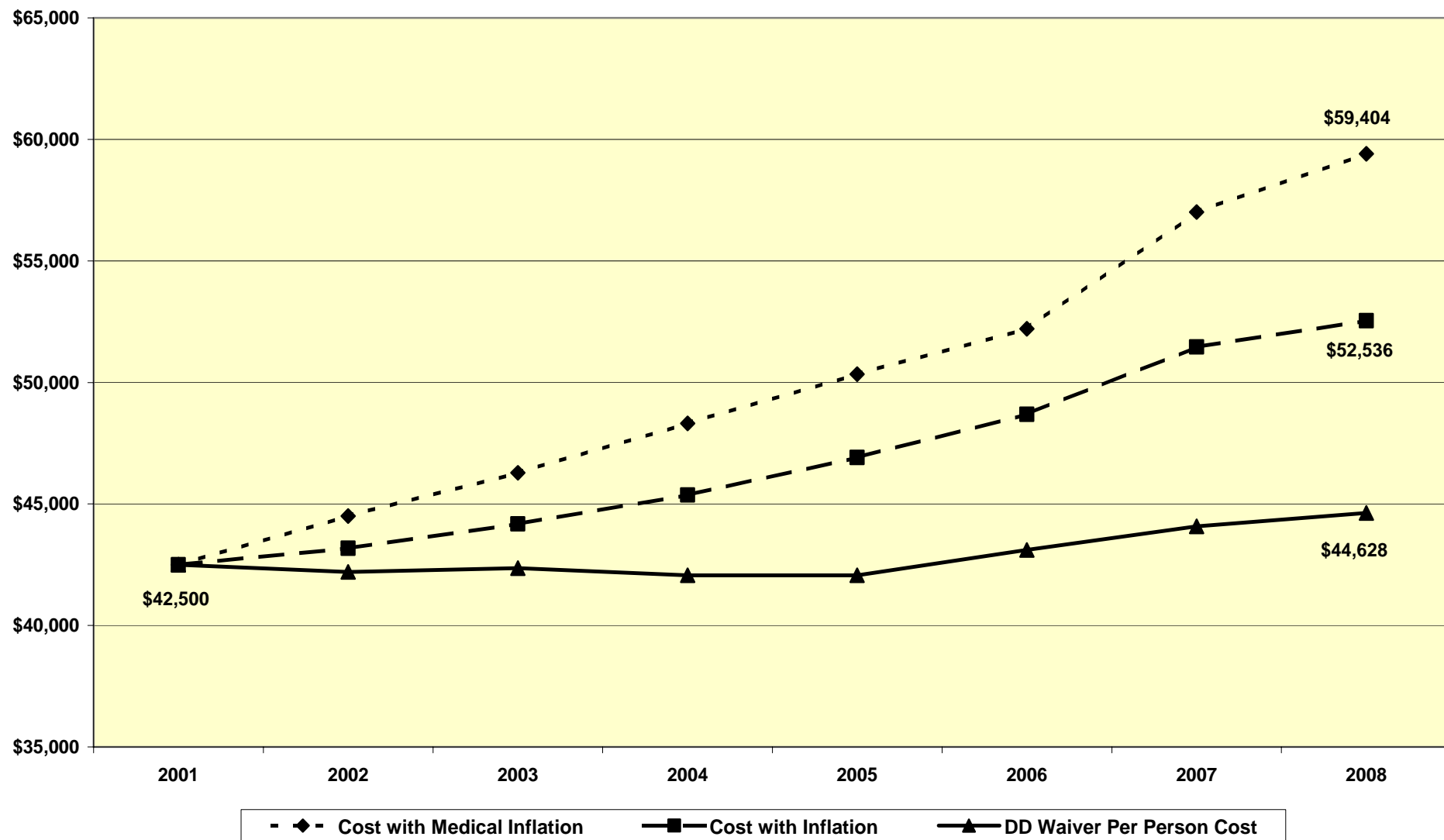
- **BDS has reduced the AA's allowable General Management (GM) cap from 15% to 12%.**
  - In FY 09 the AA system-wide GM costs are budgeted at 8.8%.
- **Of the approximately 10,000 individuals served annually, less than 1,900 (about 20%) receive residential services (24-hour care), which are more costly.**
  - 85% of residential services are furnished in more cost effective provider homes or the individuals' family homes.
  - Only 15% of the residential services are provided in staffed settings.
- **In 1995 BDS stopped funding costly institutional services (ICFs/MR - Intermediate Care Facilities for the Mentally Retarded).**

What NH would have paid for combined residential and day (24/7) services under institutional (ICF/MR) rates vs. what it actually paid under the Medicaid Waiver



**Community-Based services saved approximately \$70M for FY '08; cumulative savings FY 01 – FY 08 exceed \$340M.**

**As the primary funding source for the system, NH's DD waiver has remained cost effective, despite cost of living increases related to health insurance, housing, food, utilities, and transportation.**



# **NH's DD Waiver per person cost compares favorably with those of other New England States.**

<b>State</b>	<b>Average Per Person Waiver Expenditures*</b>	<b>Variance to NH</b>
Maine	\$ 84,203	\$ 40,609
Rhode Island	\$ 74,987	\$ 31,393
Connecticut	\$ 58,139	\$ 14,545
Massachusetts	\$ 58,045	\$ 14,451
Vermont	\$ 47,575	\$ 3,981
New Hampshire	\$ 43,594	\$ -
Source: Braddock 2008 *2006 Data		

NH ranks 34<sup>th</sup> in the nation in its fiscal effort (dollars spent per \$1K of statewide personal income) for the DD system.

**Fiscal Effort Regarding DD Services  
Spending For Services Per \$1,000 Personal  
Income**

<b>State</b>	<b>Spending Per \$1,000 Income</b>	<b>National Ranking</b>
<b>Maine</b>	<b>\$8.00</b>	<b>1st</b>
<b>Connecticut</b>	<b>\$7.66</b>	<b>3rd</b>
<b>Rhode Island</b>	<b>\$7.15</b>	<b>5th</b>
<b>Vermont</b>	<b>\$5.72</b>	<b>12th</b>
<b>Massachusetts</b>	<b>\$4.78</b>	<b>20th</b>
<b>New Hampshire</b>	<b>\$3.72</b>	<b>34th</b>
<b>National Average</b>	<b>\$4.12</b>	

**Source: Braddock, 2008**





# BDS DD Wait List

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- An individual's name is placed on the Wait List when he/she needs services for which funds are not currently available, such as:
  - Students graduating from school;
  - Adult children of elder parents who can no longer provide care; and
  - When there is significant change in the individual's condition.
- Individuals on the Wait List may receive limited services, such as family support, respite, home modifications, service coordination, while awaiting other services.
- NH's DD Wait List continues to grow in part due to:
  - The rise in the number of students receiving Special Education (especially those with Autism); and
  - The aging "Baby Boomer" generation of care-giving parents becoming unable to continue with providing care.

# DD Wait List Characteristics



## Bureau Of Developmental Services

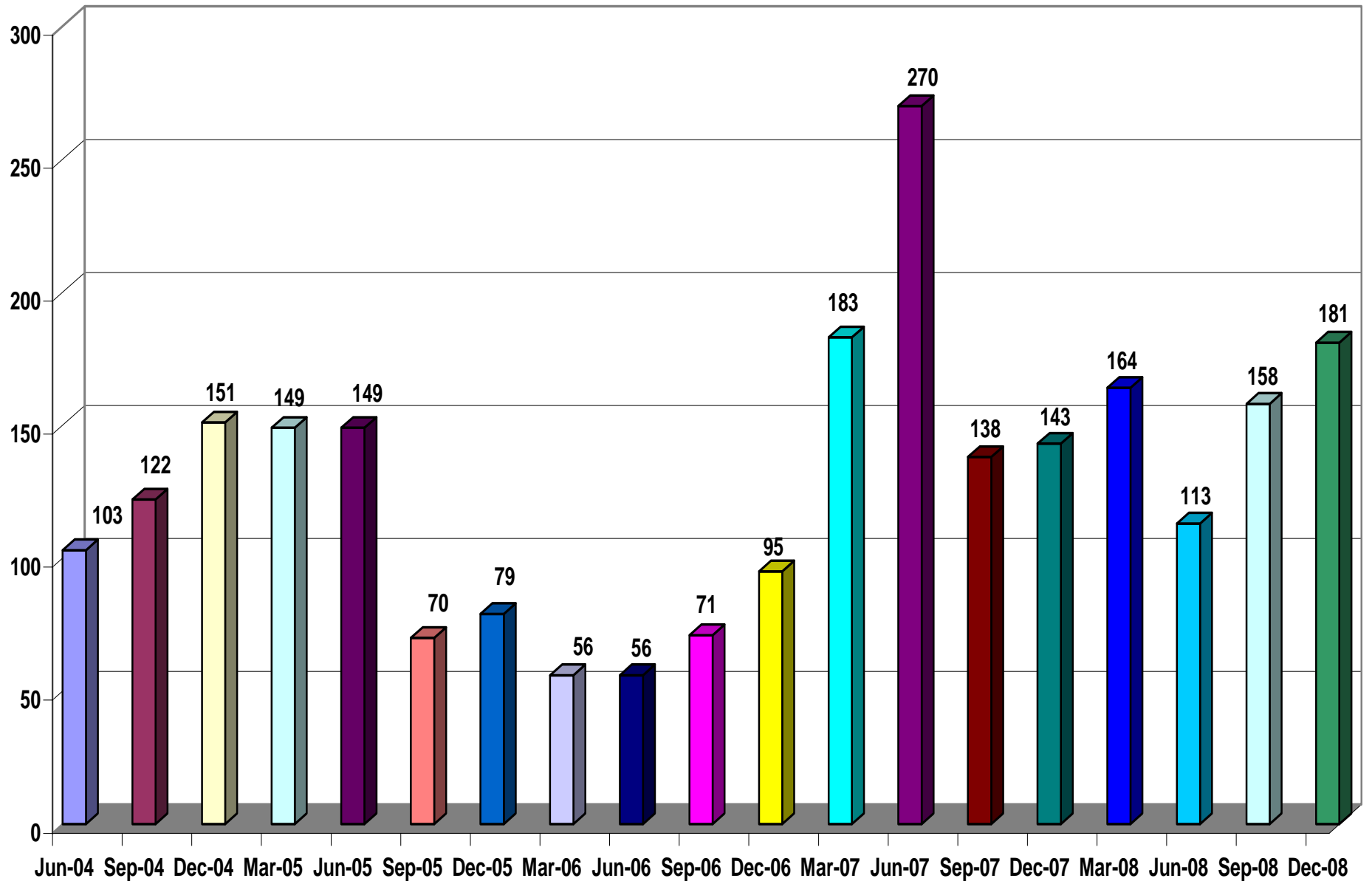
### Projected DD Wait List Analysis for the 2010 and 2011 Biennium

[648 People Projected to Need Services]\*

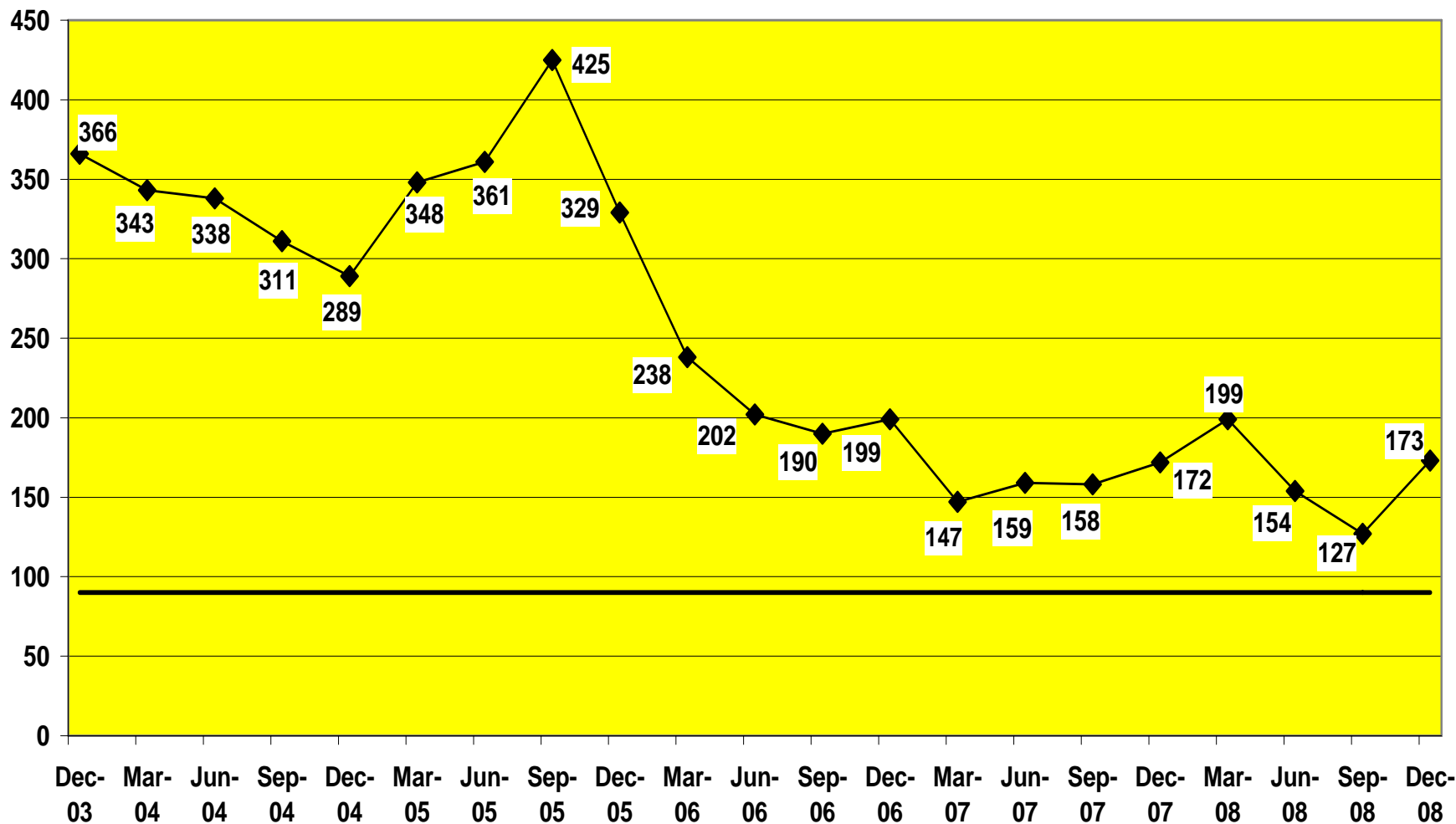
Individual Factors	Number of People	% of the Total	Care-Giver Factors	Number of People	% of the Total
Recent Graduate	502	77%	Elderly Parents	56	9%
Autism	117	18%	Need to Care for other members	73	11%
Advanced Age	10	2%	With Declining Health	60	9%
Declining Health	66	10%	Sole Caregiver	106	16%
Low Safety Awareness	396	61%	With High Work Demands	195	30%
In or at Risk of Institutional Placement	115	18%			
Recent Resident	8	1%			
Forensic	19	3%			
At Risk	47	7%			

\* Backlog = 257    FY 2010 = 181    FY 2011 = 210

Bureau Of Developmental Services  
DD Wait List  
Number Of People



# Bureau of Developmental Services DD Wait List Average Days Waiting



Wait List funding appropriated for the last two biennia reduced the number of days individuals spend waiting for funding.

(Note: Past Wait List litigations and SB 138 have identified 90-days as a reasonable waiting period.)



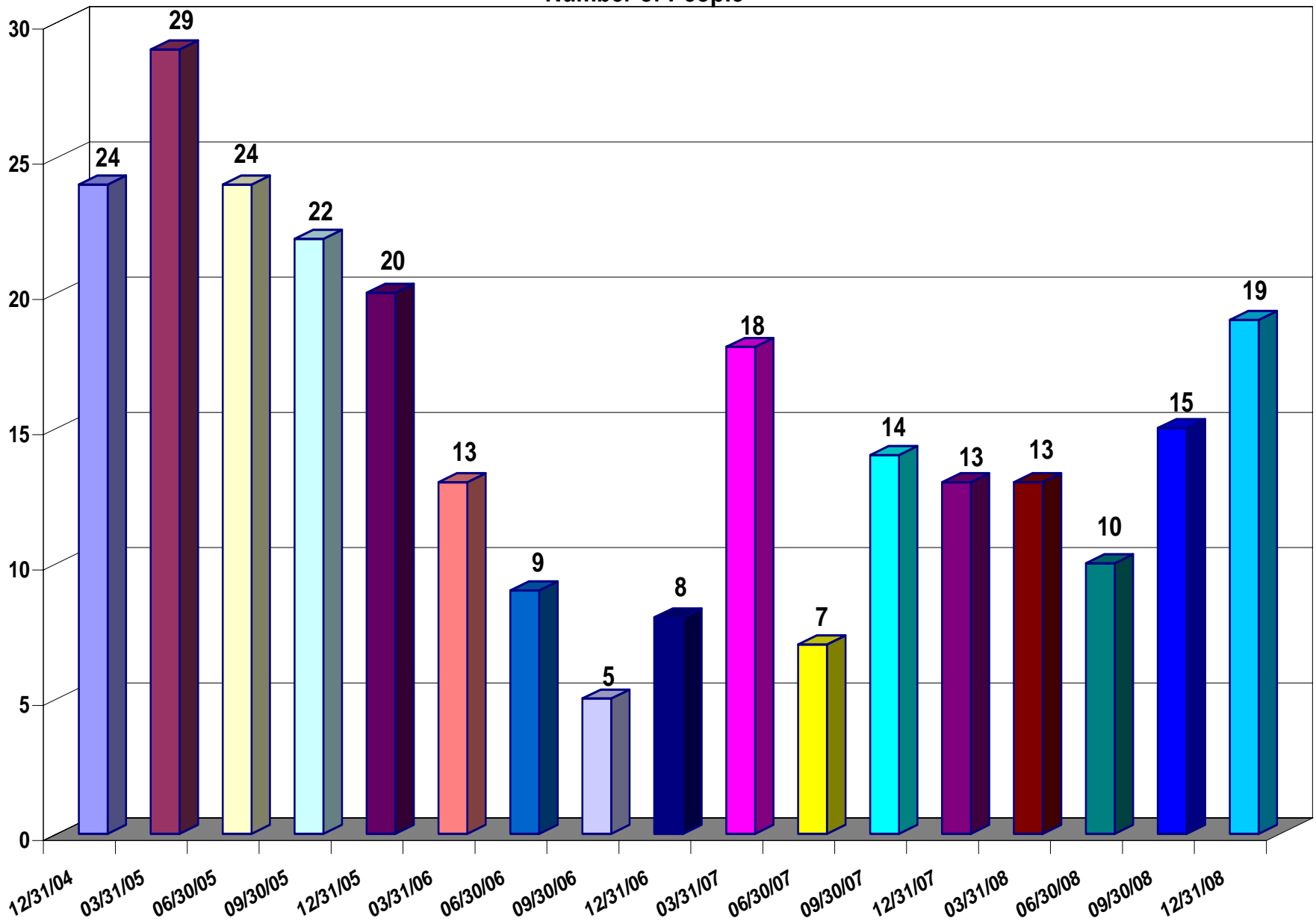
# DD Wait List Status



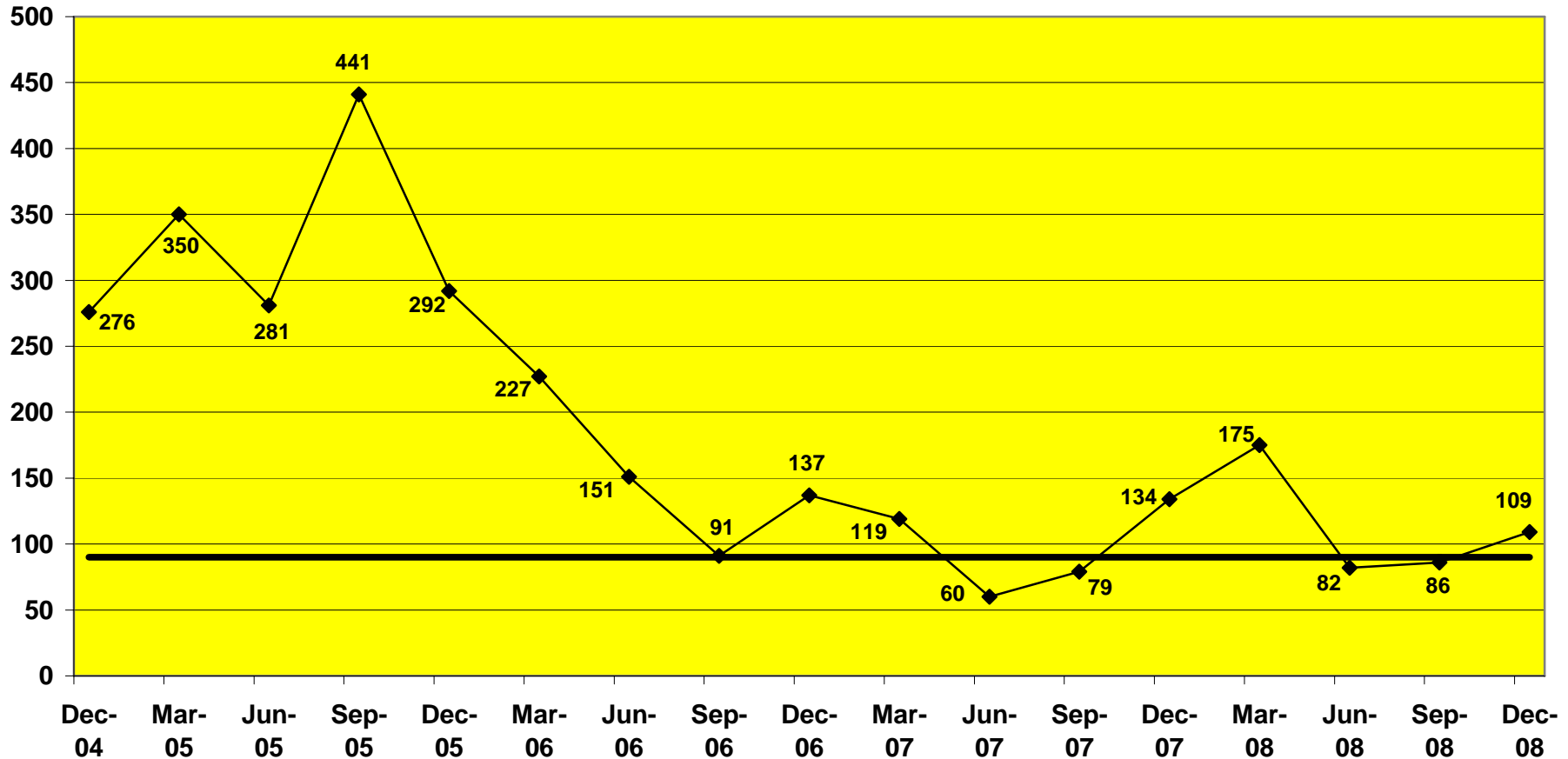
RSA 171-A:1-a requires BDS to request full funding for the Developmental Disability Wait List.

- BDS projects that:
  - By 6/30/09 there will be a **backlog** of **257** people on the Wait List;
  - In addition **181** and **210** new people will be added to the Wait List during FY '10 and FY '11 respectively
- Funding the current DD wait list would require **\$23.6M in GF** for the biennium:
  - **\$7.4M in GF** (\$14.9M total funds) for FY '10; and
  - **\$16.2M in GF** (\$32.3M total funds) for FY '11.
- For the biennium, the new funds will enable the area agencies to serve approximately **648** additional individuals.
  - As of 12/31/08 there were 181 individuals on the DD Wait List.

Bureau Of Developmental Services  
ABD Wait List  
Number of People



Bureau of Developmental Services  
ABD Wait List  
Average Days Waiting



In 2006, the ABD Wait List law suit was decided in the State's favor as a result of the progress that was being made regarding days spent on the wait list.



# ABD Wait List Status

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- BDS projects that:
  - By 6/30/09 there will be a **backlog** of **23** on the ABD Wait List.
  - In addition **15** new individuals will be added to the Wait List during both FY '10 and FY '11.
- Funding the current ABD WL would require **\$3.4M in GF** for the next biennium:
  - **\$1.13M in GF** (\$2.2M total funds) for FY '10; and
  - **\$2.35M in GF** (\$4.7M total funds) for FY '11.
- For the biennium, the new funds will enable the Area Agencies to serve approximately **53** additional individuals.
  - As of 12/31/08 there were 19 individuals on the ABD Wait List.





# Future Uncertainties



## Proposed Medicaid Regulatory Changes – current moratoria expires July 1, 2009:

- Case Management:
  - Allow only one case manager per person;
  - Limit units of payment to 15 minutes or less; and
  - Restrict case management for people transitioning out of institutions.
- Rehabilitative Services (Medicaid to Schools):
  - Rehabilitative Assistance would no ineligible for Medicaid reimbursement.
  - Rehab service accounts for half the annual draw down of Medicaid FFP (\$9M)
- Transportation Reimbursement (Medicaid to Schools):
  - Eliminate reimbursement for costs related to transportation of school-age children between home and school.
  - This service accounts for approximately \$3.5M of Medicaid revenue annually.

# BDS Budget Request Summary



BDS - Budget Summary		SFY 2008	SFY 2009	SFY 2010	SFY 2010	SFY 2011	SFY 2011
		<u>Actual</u>	<u>Curr Adj Auth</u>	<u>Maintenance</u>	<u>Governor</u>	<u>Maintenance</u>	<u>Governor</u>
	Personnel & Benefits (010-019, 060)	3,575,822	4,236,213	4,412,623	4,419,618	4,557,079	4,564,921
102	Contracts for Program Services	7,252,082	8,313,925	9,013,660	8,946,258	9,211,811	9,082,683
502	Payments to Providers (EI, Part-C)	7,481,654	8,989,188	9,343,049	8,999,655	10,041,260	9,306,720
557	Medicaid Waiver Services (DD,ABD, IHS)	162,657,663	166,255,127	193,926,423	186,250,189	201,877,406	186,198,277
511	Medicaid to Schools	16,602,919	23,000,000	23,000,000	23,000,000	23,000,000	23,000,000

■ BDS requested a 4.1% rate increase (\$4M GF/\$8M total in FY2010, \$8M GF/\$16M in FY 2011) to address cost increases, including: health and other insurances, transportation, utilities, etc.

Unfunded						Vacancy
<u>Position #</u>	<u>Description</u>	<u>Account</u>	<u>Name</u>	<u>FY 2010</u>	<u>FY 2011</u>	<u>Date</u>
15201	Mental Health Worker II	093-7164	NH Designated Receiving Facility	35,853	37,190	12/22/2008
15326	Mental Health Worker/House Supv	093-7164	NH Designated Receiving Facility	31,435	32,659	2/13/2008

**Department of Health and Human Services**  
**Budget SFY10 & SFY11**  
**Maintenance Request vs. Governor's Budget**  
*Figures Rounded to \$000*

Division Funding Title			SFY2010		SFY2011	
			Maint. Request	Governor' Budget	Maint. Request	Governor' Budget
			General Funds	General Funds	General Funds	General Funds
<b><u>I Federally Mandated Entitlement Categories &amp; Services</u></b>						
BDS	Medicaid	Early Intervention Therapy Svc	\$4,838	\$4,666	\$5,216	\$5,020
<b><u>II Federal Optional Entitlement Categories &amp; Services</u></b>						
BDS	Medicaid	Children's Services	\$2,794	\$2,726	\$3,441	\$3,379
BDS	Medicaid	Medicaid to Schools	\$0	\$0	\$0	\$0
BDS	GF	Early Intervention therapy services	\$314	\$314	\$314	\$314
BDS	GF	Family Support	\$2,687	\$2,616	\$2,745	\$2,610
BDS	Medicaid	Community Development	\$84,003	\$80,638	\$87,447	\$80,593
BDS	Medicaid	Acquired Brain Disorder	\$8,883	\$8,521	\$9,248	\$8,870
<b><u>III Federal Grants</u></b>						
<b><u>IV State Optional Services</u></b>						
BDS	Medicaid	Specialty Clinics	\$696	\$696	\$781	\$781
BDS	Medicaid	CSHCN Assistance	\$417	\$417	\$434	\$434
BDS	GF	Brain Injury Program	\$235	\$235	\$255	\$255
BDS	Medicaid	Contracts	\$100	\$100	\$105	\$105
<b><u>V Personnel - Direct Care - DRF Staff</u></b>			\$1.196	\$1.091	\$1.242	\$1.132
<b><u>VI Personnel - Non Direct Care -BDS Central Office &amp; SMS</u></b>			\$3.331	\$3.331	\$3.436	\$3.436
<b><u>VII Administrative Non-Personnel Costs</u></b>			\$1.016	\$0.994	\$1.039	\$1.016
<b>Total BDS GF Budget</b>			<b>\$108,300</b>	<b>\$104,399</b>	<b>\$113,739</b>	<b>\$105,272</b>



# BDS Initiatives



- Enhance Employment Services:

- Implemented a federally funded four-year \$6M Medicaid Infrastructure Grant to improve employment opportunities and outcomes for people with disabilities.

- Autism:

- Under HB 1634, established The Autism Council to improve many aspects of the service system to better serve individuals with autism.

- Quality Improvement:

- In conjunction with SB 138, seeking to establish a Quality Council to provide enhanced oversight, leadership, and supports to improve the quality of services.